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SECOND SUBSTITUTE SENATE BILL 5627

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State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, Clements, Tom, Weinstein, Rockefeller, Oemig, Kastama, Hobbs, Pridemore, Eide, Franklin, Shin, Regala, Marr, Murray, Spanel, Hargrove, Kline, Kilmer, Haugen, Kohl-Welles and Rasmussen)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to basic education funding; creating new sections;  
2 and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The state's definition of basic education  
5 and the corresponding funding formulas must be regularly updated in  
6 order to keep pace with evolving educational practices and increasing  
7 state and federal requirements and to ensure that all schools have the  
8 resources they need to help give all students the opportunity to be  
9 fully prepared to compete in a global economy. The work of Washington  
10 learns steering committee and the K-12 advisory committee provides a  
11 valuable starting point from which to evaluate the current educational  
12 system and develop a unique, transparent, and stable educational  
13 funding system for Washington that supports the goals and the vision of  
14 a world-class learner-focused K-12 educational system that were  
15 established in the final Washington learns report.

16 This act is intended to make provision for some significant steps  
17 towards a new basic education funding system and establishes a  
18 technical work group to address the details and next steps beyond the  
19 2007-2009 biennium that will be necessary to implement a new

1 comprehensive K-12 finance formula or formulas that will provide  
2 Washington schools with stable and adequate funding as the expectations  
3 for the K-12 system continue to evolve.

4 NEW SECTION. **Sec. 2.** (1) The Washington state institute for  
5 public policy shall staff a joint task force to review all current  
6 basic education funding formulas and develop a new funding structure,  
7 and all necessary formulas, that is realigned with the new expectations  
8 of the state's education system as established in the November 2006  
9 final report of the Washington learns steering committee and the basic  
10 education provisions established in chapter 28A.150 RCW.

11 (2) The joint task force shall consist of thirteen members:

12 (a) Four members shall be legislators. The president of the senate  
13 shall appoint one member from each of the two largest caucuses of the  
14 senate. The speaker of the house of representatives shall appoint one  
15 member from each of the two largest caucuses of the house of  
16 representatives;

17 (b) The chair, who shall have business experience, experience with  
18 Washington finance issues including knowledge of the K-12 funding  
19 formulas, and who shall be appointed by the governor;

20 (c) The superintendent of public instruction or the  
21 superintendent's designee; and

22 (d) The governor shall appoint the remaining seven members. Each  
23 of the two largest caucuses of the senate shall submit names to the  
24 president of the senate to submit to the governor. Each of the two  
25 largest caucuses of the house of representatives shall submit names to  
26 the speaker of the house of representatives to submit to the governor.  
27 The governor shall select individuals who have evidence of significant  
28 experience with Washington K-12 finance issues, including the use and  
29 application of the current basic education funding formulas.

30 (3) The Washington institute of public policy shall consult with  
31 stakeholders and experts in the field to develop information for use by  
32 the joint task force.

33 (4) In developing the recommendations, the joint task force shall  
34 review and build upon the following:

35 (a) Reports related to K-12 finance produced at the request of or  
36 as a result of the Washington learns study, including reports completed  
37 for or by the K-12 advisory committee;

1 (b) High-quality studies that are available; and

2 (c) Research and evaluation of the cost-benefits of various K-12  
3 programs and services developed by the institute for public policy as  
4 directed by the legislature in section 607(15), chapter 372, Laws of  
5 2006.

6 (5) The institute for public policy shall provide to the joint task  
7 force the following:

8 (a) An initial report within sixty days of the effective date of  
9 this section establishing an initial plan of action, reporting  
10 deadlines, a timeline for fulfilling the requirements of section 3 of  
11 this act, and an initial recommended timeline for a phased-in  
12 implementation of a new funding system that does not exceed six years;

13 (b) A second report by September 15, 2007, that includes  
14 recommendations, including implementing legislation as necessary, for  
15 at least two but no more than four options for allocating school  
16 employee compensation. One of the options must be outcome-based. The  
17 report must also include a projection of the expected effect of the  
18 investment made under the new funding structure. The second report  
19 shall also include a finalized timeline and plan for addressing the  
20 remaining components of a new funding system; and

21 (c) A final report with recommendations for at least two but no  
22 more than four options for revising the remaining K-12 funding  
23 structure, including implementing legislation as necessary, and a  
24 timeline for phasing in full adoption of the new funding structure.  
25 The final report shall be submitted to the joint task force by January  
26 1, 2008. One of the options must be outcome-based. The final report  
27 must also include a projection of the expected effect of the investment  
28 made under the new funding structure.

29 NEW SECTION. **Sec. 3.** (1) The funding structure alternatives  
30 developed by the joint task force under section 2 of this act shall  
31 take into consideration the legislative priorities in this section, to  
32 the maximum extent possible and as appropriate to each formula.

33 (2) The funding structure should reflect the most effective  
34 instructional strategies and service delivery models and be based on  
35 research-proven education programs and activities with demonstrated  
36 cost benefits. In reviewing the possible strategies and models to

1 include in the funding structure the task force shall, at a minimum,  
2 consider the following issues:

3 (a) Professional development for all staff;

4 (b) Whether the compensation system for instructional staff shall  
5 include pay for performance, knowledge, and skills elements; elements  
6 to recognize assignments that are difficult; recognition for the  
7 professional teaching level certificate in the salary allocation model;  
8 and a plan to implement the pay structure;

9 (c) Voluntary all-day kindergarten;

10 (d) Optimum class size, including different class sizes based on  
11 grade level and ways to reduce class size;

12 (e) Focused instructional support for students and schools;

13 (f) Extended school day and school year options; and

14 (g) Health and safety requirements.

15 (3) The recommendations should provide maximum transparency of the  
16 state's educational funding system in order to better help parents,  
17 citizens, and school personnel in Washington understand how their  
18 school system is funded.

19 (4) The funding structure should be linked to accountability for  
20 student outcomes and performance.

21 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
22 preservation of the public peace, health, or safety, or support of the  
23 state government and its existing public institutions, and takes effect  
24 immediately.

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